
Housing Committee

HJM 4019

Brief Description: Petitioning HUD to support affordable housing programs.

Sponsors: Representatives Holmquist, McCune, Schindler, Dunn, McDonald, Buri, Hinkle, Kretz, Serben and Santos.

Brief Summary of Bill
<ul style="list-style-type: none">Commends the U.S. Department of Housing and Urban Development (HUD) for effective policies in augmenting home ownership and prays that the efforts to streamline affordable housing programs be continued.

Hearing Date: 2/22/05

Staff: CeCe Clynch (786-7168).

Background:

The mission of the U.S. Department of Housing and Urban Development (HUD), as stated on its website, "is to increase homeownership, support community development and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships – that leverage resources and improve HUD's ability to be effective on the community level." There are various HUD programs focused on housing issues.

The American Dream Downpayment Initiative provides downpayment assistance to low income families. This is administered under the HUD HOME Investment Partnerships Program (HOME).

The Housing Counseling Assistance Program enables anyone who wants to, or already does, rent or own housing to get the counseling they need to make their rent or mortgage payments and to be a responsible tenant or owner in other ways. The counseling is provided by HUD-approved housing counseling agencies.

The Section 8 program was established in 1974 as part of the United States Housing Act. There have been changes in the program over the last 30 years, including a shift of focus from the construction of public housing toward more market-based housing subsidies. Families who are awarded Section 8 "tenant-based" vouchers use them to help pay the cost of renting housing on the open market.

HUD's Homeless Assistance programs are broken down into two main categories: (1) formula or noncompetitive, and (2) competitive. Competitive programs, under the umbrella of Continuum of Care Homeless Assistance Programs, include supportive housing, rental housing for persons with disabilities, and rental assistance on behalf of homeless individuals in connection with moderate rehabilitation of single room occupancy dwellings. The formula or noncompetitive category awards grants on the basis of the Consolidated Plans that states and local jurisdictions complete, including grants designed to help improve the quality of existing emergency shelters, to make available additional shelters, to provide vital social services, and to help prevent homelessness.

Summary of Bill:

Several findings are made in this memorial:

- that affordable, safe, and sanitary housing is vital to the quality of life and the economy;
- that owning a home is part of the "American Dream";
- that the median price of a new single-family house in Washington rose 29 percent during the first nine months of 2004 due to a lack of available land, mandatory impact fees, and increased construction costs;
- that Washington homeownership rates are 67 percent for Whites, 41 percent for Hispanics, and 38 percent for Blacks;
- that a priority of HUD is to add 5.5 million minority homeowners by the end of the decade;
- that Congress has appropriated increases in funding for the HOME Investment Partnerships Program and the American Dream Downpayment Initiative;
- that Congress has increased funding for the Section 8 program to \$3.5 billion or 30 percent since 2001;
- that the last four years have seen record funding for ending homelessness; and
- that there will be continued efforts to strengthen the capacity of Faith-Based and Community Organizations by reducing unnecessary regulatory barriers and expanding their ability to act with compassion.

HUD's role in augmenting homeownership for Washington families is recognized and commended and it is requested that HUD continue to streamline affordable housing programs.

Appropriation: None.

Fiscal Note: Not requested.